

FILED

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

OCT 25 1999

PEGGY B. DEANS, CLERK
U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF N.C.

IN RE:

INTERNATIONAL HERITAGE, INC.

CASE NO. 98-02675-5-ATS
CHAPTER 7

Debtor.

ORDER ALLOWING PAYMENT OF
INTERIM ACCOUNTANT'S FEES AND EXPENSES

THIS MATTER coming before the Court upon application of Holmes P. Harden, Trustee in the above-referenced case, for authority to pay Adams Consulting Group interim accountant's fees in the amount of Twenty-Seven Thousand Four Hundred Thirty-Eight and 59/100 (\$27,438.59) representing compensation of fees in the amount of \$26,898.50 and reimbursement of expenses in the amount of \$540.09 for services rendered from December 1, 1998 through September 1, 1999 as set out in the attached statement, and it appearing to the Court that such fees and expenses are reasonable and necessary, and good cause exists for the allowance of such application,

IT IS THEREFORE ORDERED, adjudged and decreed that Holmes P. Harden, Trustee, be and hereby is authorized to pay Adams Consulting Group the amount of \$27,438.59 as accountant's fees and expenses.

DATED: OCT 25 1999

A. Thomas Smiley
Judge

Recorded in Fee Book 10/25/99

RAL/171285/1

200
cc: BAA + Harden 10/25/99 AM

210

**ADAMS
CONSULTING****GROUP, P.A.**Certified Public Accountants and
Business Development AdvisorsRaleigh, NC 27609
tel 919.781.3581

fax 919.881.0611

Date: Sep. 21, 1999

Client ID: 1396

Invoice #: 36657

International Heritage, Inc
c/o Mr. Holmes Harden, Trustee
P O Drawer 19764
Raleigh, NC 27619Payment: ☐ Check ☐ Mastercard ☐ Visa ☐ / ☐ / ☐ Expiration Date
Enter amount being paid: \$ _____

Card Number

Cardholder's Signature

NET DUE UPON RECEIPT---DETACH TOP PORTION AND MAIL WITH PAYMENTInternational Heritage, Inc
Client ID: 1396
Date: Sep. 21, 1999
Invoice #: 36657For professional services rendered for bankruptcy estate
for the period of 12/01/98 through 9/20/99

See billing worksheet attached

Total current charges \$ 27,438.59

Previous balance 0.00

Please pay this amount \$ 27,438.59
=====**NET DUE UPON RECEIPT**If paying by check, please make your check payable to:
Adams Consulting Group, P.A.Accounts with unpaid balances over 30 days old will be charged
finance charges of 18%, per annum.If you have any questions about your bill, please contact us.
We will be happy to assist you. Thank you for your business.Adams Consulting Group, P.A. • Certified Public Accountants and Business Development Advisors
3622 Haworth Drive • Raleigh, NC 27609 • tel 919.781.3581 • fax 919.881.0611

9/21/99 1:35 pm

Cumulative Work In Process

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TB System Date: 9/21/99

Adams Consulting Group, P.A.

Raleigh, NC 27609

Client: 1396 International Heritage, Inc

Client FYE: 12/31

Resp. Partner: 52 Holmes Harden

Work Performed (Work Code, Desc, Billing Code)

Employee Name	Emp	Ref. Num.	Date	Rate	Hrs/Itms	Amount	Totals	Description
10/01/93 Work In Process Balance							0.00	
4372 Bankruptcy - Holmes Harden (1055)								
Jessie Chang	32	289409	12/01/98	90.00	3.80	342.00		Meeting with bankruptcy trustee, debtor's representative, and attorney for the debtor at debtor's premises.
Jeannine Molek	37	289458	12/01/98	90.00	4.00	360.00		Meeting with Holmes Harden, Brent Wood & Terri Gardner regarding International Heritage Inc.
Jessie Chang	32	289663	12/02/98	90.00	4.70	423.00		Travel to debtor's premises and meet with debtor's accounting personnel and special counsel to obtain financial information and documentation necessary for filing tax returns, review prior year financial statement necessary for preparation of corporate tax returns.
Craig Adams	1	290204	12/04/98	110.00	5.10	561.00		Begin review of records received thus far--primarily prior 3 years tax returns and prior three years audited financial statements and disclosures. Begin list of potential insider activities as a result of review of documents
Craig Adams	1	290205	12/04/98	110.00	2.80	308.00		Telephone conference with trustee regarding status of case and records to secure/ Go to debtors location to gather records and assure records still needed by atty for debtor are secure.
Jessie Chang	32	290203	12/04/98	90.00	0.80	72.00		Review additional document forwarded from the trustee necessary for preparation of corporate income tax returns.
Craig Adams	1	290202	12/05/98	110.00	6.60	726.00		Continue review of records received thus far primarily prior three years tax returns and prior three years financial statements with disclosures and identify numerous potential insider transactions
Craig Adams	1	290422	12/07/98	110.00	2.20	242.00		Meet with Jennifer Dougherty, computer consultant and Alex Ravenscraft, prior accounting staff person of IHI working for the estate to get a progress report and assurance of preservation of documents. Update word files as a result of meeting
Craig Adams	1	290581	12/08/98	110.00	1.20	132.00		Preparation of unfilled income tax returns
Craig Adams	1	290582	12/08/98	110.00	0.80	88.00		Review and answer questions regarding 1099 preparation for the 17000 plus Sales Reps

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Adams Consulting Group, P.A.

Raleigh, NC 27609

Client: 1396 International Heritage, Inc

Client FYE: 12/31

Resp. Partner: 52 Holmes Harden

Work Performed (Work Code, Desc, Billing Code)

Employee Name	Emp	Ref. Num.	Date	Rate	Hrs/Itms	Amount	Totals	Description
4372 Bankruptcy - Holmes Harden (1055) (Cont.)								
Craig Adams	1	290583	12/08/98	110.00	0.60	66.00		Telephone conferences with Alex Ravenscraft regarding status of accessing Great Plains information on main system. Telephone conference with Jenninfer Dougherty regarding getting 1099 information formatted properly
Parrish Cindy	42	290580	12/08/98	65.00	0.60	39.00		Research on electronic/magnetic media reporting specifically relating to the transmitter control code.
Craig Adams	1	291620	12/10/98	110.00	2.30	253.00		Conference in Eilers, Jones and Brown office, CPAs for International Heritage. Review prior year workpapers and get copies of workpapers needed to complete income tax returns and to aid trustee.
Craig Adams	1	291621	12/10/98	110.00	2.20	242.00		Preparation of Federal and NC income tax returns--complex
Craig Adams	1	291622	12/10/98	110.00	0.30	33.00		Teleconference with trustee and trustee legal assistant regarding meeting with prior accountant and with Jennifer Doherty and Alex Ravenscraft.
Craig Adams	1	291623	12/10/98	110.00	0.30	33.00		Conference at Mayflower Holding with Jennifer Doherty and Alex Ravenscraft to determine status of information requested.
Craig Adams	1	291852	12/11/98	110.00	0.70	77.00		Meet at Mayflower Holding with Alex and Stephon to get complete back ups for the entire systems
Jeannine Molek	37	291850	12/11/98	90.00	0.10	9.00		Determine status of 1099 preparation and year end W-2 preparation.
Craig Adams	1	291851	12/12/98	110.00	3.80	418.00		Continue to analyze and organize information received thus far to prepare 1998 income tax returns including review of nexus issue with other states
Craig Adams	1	291933	12/14/98	110.00	0.80	88.00		Conference with Alex and new computer person to again attempt to get complete back up of system
Craig Adams	1	291934	12/14/98	110.00	0.80	88.00		Preparation of Forms 1099
Jessie Chang	32	291932	12/14/98	90.00	0.30	27.00		Review information provided by trustee to determine tax return filing for the parent company International Heritage, Incorporated.
Craig Adams	1	293860	12/15/98	110.00	0.90	99.00		Various telephone conferences with trustee and my office (from Wilmington) to coordinate information technology specialist present at International Heritage, Inc.

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TB System Date: 9/21/99

Adams Consulting Group, P.A.
Raleigh, NC 27609Client: 1396 International Heritage, Inc
Resp. Partner: 52 Holmes Harden

Client FYE: 12/31

Work Performed (Work Code, Desc, Billing Code)

Employee Name	Emp	Ref. Num.	Date	Rate	Hrs/Itms	Amount	Totals	Description
4372 Bankruptcy - Holmes Harden (1055) (Cont.)								
Jessie Chang	32	292876	12/15/98	90.00	2.10	189.00		Telephone correspondence with NC Employment Security Commission, Paychex's Andy Wilson, and Alex Ravenscraft regarding filing of 1998 third & fourth quarter payroll reports, travel to debtor's premise to obtain third quarter payroll reports.
Yenne Sam	45	292875	12/15/98	125.00	1.80	225.00		Help with computer backup to secure information
Jessie Chang	32	294091	12/16/98	90.00	0.20	18.00		Telephone Paychex and NC Employment Security Commission regarding 3rd quarter wage detail information.
Yenne Sam	45	294090	12/16/98	125.00	0.80	100.00		Obtaining information from computer systems and securing the data.
Jessie Chang	32	294332	12/17/98	90.00	2.50	225.00		Review documentation from trustee to abstract information necessary to prepare debtor's parent corporation's corporate income tax return, prepare correspondence with NC Employment Security Commission regarding third quarter wage report.
Yenne Sam	45	294330	12/17/98	125.00	1.50	187.50		Moving of computers and data backup
Yenne Sam	45	294331	12/17/98	125.00	1.00	125.00		Additional work on computer backup and getting Great Plains up and going
Jessie Chang	32	294692	12/18/98	90.00	0.80	72.00		Prepare correspondence to IRS and NCDR regarding 1998 third quarter form 941 and NC-5Q.
Craig Adams	1	294690	12/19/98	110.00	1.60	176.00		Review 3rd quarter wage information to identify potential fraudulent transfers
Craig Adams	1	294691	12/19/98	110.00	1.20	132.00		Review and sign reports and correspondence to attach to 3rd quarter payroll reports including 505(b) attachment
Craig Adams	1	294875	12/21/98	110.00	1.70	187.00		Review copies of workpapers requested from accounting firm as compared to request list. Note items of concern to discuss with trustee
Craig Adams	1	294876	12/21/98	110.00	1.30	143.00		Review correspondence related to safeguarding of data on the K-220 system and on the NT network between the trustee, Van Etten and Brent Wood. Follow up with progress on delivering back ups in accordance with correspondence
Yenne Sam	45	294877	12/21/98	125.00	0.50	62.50		Retrieval of backup of Great Plains data
Kelly M. Carter	17	295013	12/22/98	90.00	0.30	27.00		review info recvd from ttee
Yenne Sam	45	295014	12/22/98	125.00	0.60	75.00		additional work to get Great Plains up and going
Craig Adams	1	295495	12/28/98	110.00	2.20	242.00		Preparation of federal and state income tax returns

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Adams Consulting Group, P.A.
Raleigh, NC 27609

Client: 1396 International Heritage, Inc

Client FYE: 12/31

Resp. Partner: 52 Holmes Harden

Work Performed (Work Code, Desc, Billing Code)

Employee Name	Emp	Ref. Num.	Date	Rate	Hrs/Items	Amount	Totals	Description
4372 Bankruptcy - Holmes Harden (1055) (Cont.)								
Craig Adams	1	295496	12/28/98	110.00	5.80	638.00		Review statment of financial affairs and schedules in preparation for conference with trustee to identify areas of concern in schedules as well as other documents reviewed
Craig Adams	1	295508	12/29/98	110.00	5.50	605.00		Continue review of schedules in preparation for conference with trustee to identify areas of concern to inquire about at 341 meeting
Craig Adams	1	295509	12/29/98	110.00	1.80	198.00		Conference with trustee to discuss areas of concern identified in reviewing debtors documents to inquire about at 341 meeting
Craig Adams	1	295657	12/30/98	110.00	0.60	66.00		Conference with Alex regarding status of GP software info and status of 1099s
Jessie Chang	32	296357	1/05/99	90.00	2.40	216.00		Prepare correspondences with taxing authorities of Virginia, Louisiana, North Carolina, IRS, and Nebraska in response to tax notices.
Craig Adams	1	296591	1/06/99	110.00	0.30	33.00		Telephone conference with Jennifer Doherty regarding status of 1099s
Craig Adams	1	296913	1/07/99	110.00	0.50	55.00		View documents at warehouse. Retrieve blank 1099 forms
Craig Adams	1	296914	1/07/99	110.00	2.30	253.00		Aid in preparation of 1099s (approximately 7000 to be issued)
Kelly M. Carter	17	296917	1/07/99	90.00	0.50	45.00		review and sign letters to various tax authorities
Jessie Chang	32	296915	1/07/99	90.00	4.60	414.00		Telephone conversation with Alex Ravenscraft regarding his questions on Form 1099 filing, research filing requirement for payment to Canadian payees, conference with Alex Ravenscraft regarding retrieving data from GreatPlain accounting program and info needed for filing Form 1099, conference with Jennifer regarding status of 1099 info for the reps, review and inventory two boxes of documentation received from the trustee's office necessary for tax return preparation.
Williams Gretchen	47	296916	1/07/99	35.00	0.60	21.00		Preparation of documents to begin tax return
Williams Gretchen	47	296923	1/07/99	35.00	0.60	21.00		Continue preparation of documents to begin tax return
Craig Adams	1	297119	1/08/99	110.00	0.40	44.00		tele conference with Holmes regarding problems with program printing 1099s and possible solutions

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Work Performed (Work Code, Desc, Billing Code)							
Employee Name	Emp	Ref. Num.	Date	Rate	Hrs/Itms	Amount	Totals
4372 Bankruptcy - Holmes Harden (1055) (Cont.)							
Kelly M. Carter	17	301071	1/21/99	95.00	0.10	9.50	determine if returns are due and extensions needed yet
Jessie Chang	32	301070	1/21/99	95.00	3.40	323.00	Determine the number of 1099 envelopes needed, costs, shipping method and costs, and ordered from Safeguard, resolve the issue regarding issuing 1099 to Porsche winner and bonus to former VPs, prepare letter to debtor's attorney Terri Gardner to clarify above information.
Craig Adams	1	301225	1/22/99	120.00	0.60	72.00	Meet with Alex Ravenscraft to help secure all preference and insider documets.
Craig Adams	1	301226	1/22/99	120.00	0.40	48.00	Contact computer consultant to get computer system moved
Craig Adams	1	301227	1/22/99	120.00	1.30	156.00	Preparation of 1998 1099s for other than sales representatives
Craig Adams	1	301228	1/22/99	120.00	0.40	48.00	Telephone conference with Terry Gardner regarding 1099 information needed to complete
Jessie Chang	32	301224	1/22/99	95.00	0.60	57.00	Conference with Alex Ravenscraft regarding searching and securing 12 months bank statement, cancelled checks and invoices necessary for preference analysis, Alex discussed that former employees raised question that W-2 amount may be in error.
Jeannine Molek	37	301229	1/22/99	90.00	0.20	18.00	Call from Ms. Dougherty regarding 1099's.
Craig Adams	1	302055	1/25/99	120.00	2.20	264.00	Aid in preparation of 1099s
Jessie Chang	32	302057	1/25/99	95.00	2.70	256.50	Preparation of 1998 Form 1099s for post-petition disbursements for bankruptcy trustee in progress, including getting recipients' ss# and address, follow up on pending questions for Form 1099 filing for pre-petition non-sales representative recipients.
Jessie Chang	32	302056	1/27/99	95.00	0.40	38.00	Provide Jennier Doherty the rest of 1099 recipient information necessary to prepare Form 1099, inform ex-employee about using Form 4852 in case of W-2 incorrect.
Kelly M. Carter	17	302190	1/28/99	95.00	0.30	28.50	respond to IRS notice
Jessie Chang	32	302338	1/29/99	95.00	1.30	123.50	Preparation of transmittal letters to IRS Memphis Center, IRS Special Procedure at Greensboro, and NC Employment Security Commission to file 1998 4th quarter Form 941, 1998 form 940-EZ, and NC form NCUI-101.

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Work Performed (Work Code, Desc, Billing Code)

Employee Name	Emp	Ref. Num.	Date	Rate	Hrs/Itms	Amount	Totals	Description
4372 Bankruptcy - Holmes Harden (1055) (Cont.)								
Jeannine Molek	37	302339	1/29/99	90.00	1.50	135.00		Preparation of year end 1099's and transmittal letters. Set up client information in Creative Solutions.
Craig Adams	1	302337	1/30/99	120.00	1.40	168.00		Review and sign 4th quarter 1998 forms 941, 940 and NCUI 101 and attach 505(b) correspondence
Jeannine Molek	37	302495	2/01/99	90.00	0.20	18.00		Check on status of 1099's and mail
Craig Adams	1	302861	2/03/99	120.00	0.60	72.00		Inquiry from NY sales tax assessor's office regarding sales tax reports/ Respond to inquiry from trustee regarding potential refunds listed in schedules
Jessie Chang	32	302862	2/03/99	95.00	1.00	95.00		Telephone conference with Ms. Laura Liberio of New York State Department of Tax & Finance regarding sales tax liability inquiry, review Statement of Financial Affairs and other tax documentation regarding information needed by the State of New York, telephone conference with Alex Ravenscraft regarding the validity of the amount of overpayment to IRS of \$60,000 per Summary of Schedules and of \$26,697 per Paychex-prepared 4th quarter 941 per request of the trustee concerning potential refunds available.
Jessie Chang	32	303267	2/04/99	95.00	0.20	19.00		Ex-employee Annette Davis called regarding not getting a W-2 since she had a change of address, copy and mail one to her.
Jessie Chang	32	303951	2/09/99	95.00	0.30	28.50		Prepare cover letter to IRS for filing post-petition 1998 Form 1096/1099.
Kelly M. Carter	17	304374	2/11/99	95.00	0.20	19.00		letter to ttee regarding info needed
Wilson Sharon	100	304373	2/11/99	40.00	0.30	12.00		Tax authorities correspondence
Craig Adams	1	305961	2/18/99	120.00	0.70	84.00		Review numerous correspondence from taxing authorities
Jeannine Molek	37	306782	2/24/99	95.00	0.10	9.50		Work on tax extension.
Jeannine Molek	37	306783	2/24/99	95.00	0.20	19.00		Try to determine if secured claims will be repiad. (for Mayflower Capital, LLC).
Craig Adams	1	308354	3/03/99	120.00	2.20	264.00		Per request from trustee and trustee council begin review Great Plains reports for insider activity
Wilson Sharon	100	308353	3/03/99	40.00	0.30	12.00		Generate requested reports from Great Plains for review.
Craig Adams	1	309332	3/05/99	120.00	2.60	312.00		Begin review of voluminous reports generated by Great Plains software to aid trustee in identifying insider activity
Yenne Sam	45	309333	3/05/99	110.00	5.20	572.00		Review of insider activity in Great Plains data per trustee request.

Client: 1396 International Heritage, Inc Client FYE: 12/31
Resp. Partner: 52 Holmes Harden

Work Performed (Work Code, Desc, Billing Code)

Employee Name	Emp	Ref. Num.	Date	Rate	Hrs/Itms	Amount	Totals	Description
4372 Bankruptcy - Holmes Harden (1055) (Cont.)								
Craig Adams	1	309633	3/08/99	120.00	1.10	132.00		Review amended Statement of Financial Affairs and Schedules in preparation of providing information to trustee regarding insider information
Craig Adams	1	309634	3/08/99	120.00	2.10	252.00		Pull numerous reports for trustee and trustee council from Great Plains Software to aid in insider activity analysis
Craig Adams	1	310199	3/09/99	120.00	3.30	396.00		Continue to pull reports requested by trustee from Great Plains software to aid insider analysis
Wilson Sharon	100	310200	3/09/99	40.00	1.80	72.00		Print reports for CA from Great Plains
Jeannine Molek	37	311748	3/12/99	95.00	0.60	57.00		Set up client in Prosystem and prepare federal and state extensions (for the NC company).
Jeannine Molek	37	311749	3/12/99	95.00	0.60	57.00		Set up company in Prosystem for Nevada corporation and prepare federal and state extensions.
Jeannine Molek	37	312129	3/15/99	95.00	0.40	38.00		RE-RUN EXTENSIONS.
Craig Adams	1	312655	3/17/99	120.00	0.20	24.00		Review correspondence from Texas Comptroller related to their estimated claim of \$275,000. Discuss with trustee
Jessie Chang	32	317135	3/26/99	95.00	0.20	19.00		Assist with ex-employee Shelly Sanders's telephone request to get a copy of her W-2 (we mailed her twice and she said she still did not receive it)
Wilson Sharon	100	325693	4/14/99	40.00	0.10	4.00		Fax W-2 to Shelly Sanders per her request
Wilson Sharon	100	327849	4/20/99	40.00	2.30	92.00		Review and prioritize voluminous notices for various types of taxes for Alabama, Arizona, Arkansas, Colorado, Georgia, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Minnesota, Mississippi, New York, North Carolina, Pennsylvania, Rhode Island, Tennessee, Utah, Vermont, Wisconsin, Wyoming
Jessie Chang	32	328401	4/21/99	95.00	0.10	9.50		Assist NC Emp. Security Commission's Mr. Nelson telephone inquiry regarding payroll records for Edward P. Carey.
Wilson Sharon	100	328402	4/21/99	40.00	2.00	80.00		Review and prioritize voluminous notices for various types of taxes for AL, AR, AK, Canada, CO, CT, DC, FL, GA, HA, IO, IL, IN, KS, KY, LA, MA, MD, MS, Nebraska, Nevada, NY, NC, PA, NC, RI, SC, TN, TX, UT, VT, VA, WV, WS, WY
Jessie Chang	32	329122	4/22/99	95.00	2.40	228.00		Review check register records in Great Plains and telephone conference with Alex Ravenscraft to determine who wrote the 5-million-dollar check for bond during 4/98 through 6/98.

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Raleigh, NC 27609

Client: 1396 International Heritage, Inc

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Work Performed (Work Code, Desc, Billing Code)

Employee Name	Emp Ref. Num.	Date	Rate	Hrs/Items	Amount	Totals	Description
4372 Bankruptcy - Holmes Harden (1055) (Cont.)							
Craig Adams	1	329121 4/23/99	120.00	1.10	132.00		Review activity in general ledger per request to determine if bond was paid by IHI
Jessie Chang	32	329501 4/23/99	95.00	6.80	646.00		Retrieve and review General ledger details in Great Plains to trace any records of 5-million-dollar for bonding; review and prioritize voluminous tax notices from IRS and various states.
Jeannine Molek	37	329123 4/23/99	95.00	0.40	38.00		GET AN OVERVIEW OF GREAT PLAINS ACCOUNTING, IN ORDER TO BE ABLE TO PRINT REPORTS AS NEEDED.
Jessie Chang	32	329967 4/26/99	95.00	3.40	323.00		Telephone conference with Ms. Priscilla Smith at the IRS Raleigh Office regarding various tax notices regarding Form 941 for 6/30/98, 9/30/98, 12/31/98, Form 940 for 1998, IRS Summon issued to Southtrust Bank that got mailed back by SouthTrust, research and fax to Ms. Priscilla various items requested by her, including a list of IHI's officers/directors, copies of 941 and 940, banking information related to payroll; Respond to IRS notice Form 4598 dated 2/16/99 regarding former employee Cheryl Jones not receiving W-2.
Craig Adams	1	330249 4/27/99	120.00	0.70	84.00		Review of general ledger activity for numerous bank accounts looking for transaction(s) to indicate whether bond was paid from IHI
Craig Adams	1	330250 4/27/99	120.00	0.60	72.00		Review correspondence from state of Texas regarding various months unfiled sales tax reports. Discuss with trustee correspondence from Texas regarding unfiled sales tax reports.
Jessie Chang	32	330251 4/27/99	95.00	1.00	95.00		Prepare letter responding to IRS notice dated 4/12/99 regarding 1998 Form 940 liabilities, review tax notices from Alabama and prepare letter repnding to Alabama Sales/Use tax returns delinquent notices.
Craig Adams	1	330544 4/28/99	120.00	0.20	24.00		Correspondence to IRS and State of Alabama
Craig Adams	1	330545 4/28/99	120.00	1.20	144.00		Review and respond to notices from Internal Revenue Service, State of SC regarding tax returns unfiled, Wyoming regarding sales tax delinquency payment, Michigan regarding sales tax due, Idaho regarding withholding notice, Vermont regarding sales and use tax due.

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 Resp. Partner: 52 Holmes Harden

Client FYE: 12/31

Work Performed (Work Code, Desc, Billing Code)

Employee Name	Emp	Ref. Num.	Date	Rate	Hrs/Itms	Amount	Totals	Description
4372 Bankruptcy - Holmes Harden (1055) (Cont.)								
Craig Adams	1	330627	4/29/99	120.00	0.30	36.00		Correspondence with P Tyler regarding Texas unfiled sales tax reports
Wilson Sharon	100	330859	4/29/99	40.00	0.20	8.00		Prepare outgoing mail
Craig Adams	1	330772	5/03/99	120.00	0.20	24.00		Tele conference with Joan Fleming of the FBI
Craig Adams	1	331219	5/06/99	120.00	2.80	336.00		Prepare for conference with Joan Fleming and Garry Mlot of the Federal Bureau of Investigation and the Department of Justice. Conference here with them (actual conference 1.9 hours) They asked that Jessie and I both attend conference.
Jessie Chang	32	331240	5/06/99	95.00	0.60	57.00		Review and assemble copies of document requested by FBI, telephone conference with Alex Ravenscraft regarding getting info from storage to do preference analysis.
Jessie Chang	32	331241	5/06/99	95.00	2.00	190.00		Conference with Ms. Joan Fleming of FBI and Mr. Garry Mlot of US Attorney's office
Wilson Sharon	100	331288	5/06/99	40.00	1.80	72.00		Organize and assemble documents requested by Joan Fleming of the FBI
Jessie Chang	32	333640	5/12/99	95.00	1.80	171.00		Written response to IRS Notice Form 4598 regarding Gary Raser's W-2, continue reviewing and prioritizing tax notices from various States.
Craig Adams	1	333740	5/13/99	120.00	0.20	24.00		Respond to IRS inquiry regarding incorrect wage information on a W-2 prepared by Paychex
Craig Adams	1	334051	5/17/99	120.00	0.10	12.00		Review correspondence from Mr. Van Etten to State of Connecticut regarding sales tax assessment
Kelly M. Carter	17	334064	5/17/99	95.00	0.40	38.00		resolve issue with employee's w-2
Kelly M. Carter	17	338014	6/01/99	95.00	1.00	95.00		review tax notices from various states to determine response, if any
Grimshaw B. Susan	105	338565	6/02/99	55.00	4.40	242.00		Correspondence to various taxing authorities regarding delinquent tax notices
Grimshaw B. Susan	105	338954	6/03/99	55.00	0.40	22.00		Correspondence to various taxing authorities regarding delinquent tax notices
Grimshaw B. Susan	105	339289	6/04/99	55.00	1.40	77.00		Correspondence to various taxing authorities regarding delinquent tax notices
Kelly M. Carter	17	339499	6/07/99	95.00	2.50	237.50		assist with tax notices responses; review and sign responses
Grimshaw B. Susan	105	339565	6/07/99	55.00	0.80	44.00		Correspondence to various taxing authorities regarding delinquent tax notices
Kelly M. Carter	17	340012	6/08/99	95.00	0.10	9.50		update ttee on status of work in process

Cumulative Work In Process
Adams Consulting Group, P.A.
Raleigh, NC 27609

Client FYE: 12/31

Employee Name	Emp	Ref. Num.	Date	Rate	Hrs/Items	Amount	Totals	Description
4372 Bankruptcy - Holmes Harden	(1055)	(Cont.)						
Kelly M. Carter	17	340569	6/09/99	95.00	0.20	19.00		respond to former 'employee re:1998 W-2
Kelly M. Carter	17	341691	6/17/99	95.00	0.50	47.50		respond to notice re: 1099 discrepancy
Gabrielson Roxanne	43	341798	6/21/99	95.00	0.50	47.50		conversation w/Linda Smith at The Employment Securities Commission regarding a former employee Edward Carey - faxed earnings sheet as prepared by PayCheck
Gabrielson Roxanne	43	342002	6/22/99	95.00	0.40	38.00		review accounting tasks that need to be completed
Kelly M. Carter	17	342783	6/24/99	95.00	0.10	9.50		assistance with preparation of tax returns
Gabrielson Roxanne	43	343509	7/01/99	95.00	0.30	28.50		call from/to Brenda Carter at the Mississippi Tax Commission re: trustee attorney address
Gabrielson Roxanne	43	343723	7/02/99	95.00	0.50	47.50		call from North Carolina Employers Security Commission regarding unemployment filings from former employees
Gabrielson Roxanne	43	344676	7/09/99	95.00	0.40	38.00		Call from Mississippi Tax Commission regarding tax return filings
Grimshaw B. Susan	105	350612	8/02/99	55.00	0.20	11.00		Research to determine filing requirements for W-2s, 1099 and 941 due on 1/31/99
Craig Adams	1	351285	8/05/99	120.00	0.20	24.00		Review correspondence from trustee to Brent Wood
Gabrielson Roxanne	43	351541	8/06/99	95.00	0.50	47.50		review work needed to be completed for 1998
Craig Adams	1	353889	8/17/99	120.00	0.30	36.00		Review trustees 6-30-99 report
Gabrielson Roxanne	43	354720	8/18/99	95.00	1.50	142.50		begin work for 1998 tax returns
Craig Adams	1	356555	9/02/99	120.00	4.80	576.00		Preparation of 1998 tax return (complex) including telephone conversations with trustee and prior accountant to get additional information. Review voluminous trial balance and determine most efficient way to complete
Donna McNeal	4	356564	9/02/99	65.00	0.20	13.00		Review information to determine additional information--call to trustee regarding same.
Jeannine Molek	37	356586	9/02/99	95.00	0.20	19.00		Run reports in Great Plains to aid in the preparation of the tax returns.
Gabrielson Roxanne	43	356596	9/02/99	95.00	6.30	598.50		retrieve information from Great Plains; begin adjusting journal entries and postings necessary to complete 1998 corporate tax return
Williams Gretchen	47	356609	9/02/99	35.00	1.50	52.50		pick up some disketts and tried to load to prosystems
Craig Adams	1	356660	9/03/99	120.00	0.20	24.00		Preparation of 12-31-98 tax return
Craig Adams	1	356661	9/03/99	120.00	0.10	12.00		Tele with Gary Malot regarding request for information

9/21/99 1:35 pm

Cumulative Work In Process

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TB System Date: 9/21/99

Adams Consulting Group, P.A.

Raleigh, NC 27609

Client: 1396 International Heritage, Inc

Client FYE: 12/31

Resp. Partner: 52 Holmes Harden

Work Performed (Work Code, Desc, Billing Code)

Employee Name	Emp	Ref. Num.	Date	Rate	Hrs/Itms	Amount	Totals	Description
4372 Bankruptcy - Holmes Harden (1055) (Cont.)								
April Gillespie	5	356674	9/03/99	95.00	0.50	47.50		Determine items to be disclosed on tax return-depreciation and atty transactions not available to us.
Gabrielson Roxanne	43	356686	9/03/99	95.00	7.80	741.00		Prepare adjusting journal entries necessary to prepare the corporate tax return; Locate depreciation for 1998; locate Brent Wood Trust income and expenses needed to complete 1998 corporate tax return.
Craig Adams	1	356774	9/07/99	120.00	3.90	468.00		Code and summarize receipts and disbursements from Brent Woods trust accounts activities that he maintained for IHI and incorporate into tax return
Craig Adams	1	356775	9/07/99	120.00	0.30	36.00		tele conference with trustee regarding Kara corporation and the concern over id # on the bankruptcy filing
Gabrielson Roxanne	43	356781	9/07/99	95.00	6.00	570.00		begin preparation of adjusting journal entries necessary to prepare the corporate tax return for 1998
Gabrielson Roxanne	43	357076	9/08/99	95.00	5.90	560.50		finish the preparation of adjusting journal entries; reconcile trial balance and begin the preparation of the 1998 corporate tax return
Craig Adams	1	357283	9/09/99	120.00	1.60	192.00		Begin set up of schedules to do the preference analysis
Gabrielson Roxanne	43	357307	9/09/99	95.00	7.70	731.50		Continue preparation of 1998 corporate tax return
Yenne Sam	45	357313	9/09/99	110.00	0.90	99.00		Reconstruct voluminous records to determine if preference analysis of benefit to estate
Gabrielson Roxanne	43	357435	9/10/99	95.00	4.50	427.50		review tax return and complete schedules and attachments for 1998 corporate tax return
Craig Adams	1	358091	9/13/99	120.00	2.80	336.00		Partner review and sign 1998 federal and NC corporate income tax returns and attached 505(b) correspondence
April Gillespie	5	358099	9/13/99	95.00	3.80	361.00		review 1998 tax returns, revise 8275 stm, correct 1998 tax returns.
Gabrielson Roxanne	43	358115	9/13/99	95.00	2.50	237.50		continue preparation of coporate tax return for 1998
Williams Gretchen	47	358137	9/13/99	35.00	1.10	38.50		preparation documents for taxing authorities related to 98 tax returns including 505(b) corrspodence
Williams Gretchen	47	358142	9/13/99	35.00	1.20	42.00		preparation documents for taxing authorities related to 98 tax returns including 505(b) correspondence
Gabrielson Roxanne	43	358430	9/14/99	95.00	1.20	114.00		review processed out corporation returns for Inc and Incorporated for accuracy
Craig Adams	1	358917	9/17/99	120.00	1.20	144.00		Preparation of invoice

9/21/99 1:35 pm

Cumulative Work In Process

TB System Date: 9/21/99

Adams Consulting Group, P.A.

Raleigh, NC 27609

Client: 1396 International Heritage, Inc

Client FYE: 12/31

Resp. Partner: 52 Holmes Harden

Work Performed (Work Code, Desc, Billing Code)

Employee Name	Emp	Ref. Num.	Date	Rate	Hrs/Itms	Amount	Totals	Description
4372 Bankruptcy - Holmes Harden (1055) (Cont.)								
Yenne Sam	45	358940	9/17/99	110.00	2.20	242.00		printed monthly financial statments and started preference analysis
Craig Adams	1	358979	9/20/99	120.00	0.60	72.00		Retrieve financial information for Gary Mallot at US attorney office

Subtotal for work code 4372

271.00	26,898.50
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BANKEXP2 Bankruptcy expenses - Harden (BANKEXP)

NAA	30	291571	12/04/98	1.20	1.00	1.20		Postage
NAA	30	294720	12/11/98	0.32	1.00	0.32		Postage
NAA	30	294766	12/21/98	0.20	9.00	1.80		copies
NAA	30	295022	12/21/98	4.22	1.00	4.22		Postage
NAA	30	295033	12/23/98	0.20	52.00	10.40		Copies
NAA	30	299896	1/15/99	0.20	14.00	2.80		copies
NAA	30	300586	1/20/99	94.38	1.00	94.38		postage for W2's
NAA	30	301526	1/27/99	0.20	6.00	1.20		copies
NAA	30	302618	2/01/99	17.43	1.00	17.43		certified postage
NAA	30	302648	2/02/99	0.20	18.00	3.60		copies
NAA	30	303531	2/05/99	0.20	10.00	2.00		copies
NAA	30	304616	2/11/99	2.98	1.00	2.98		postage
NAA	30	304614	2/15/99	0.20	6.00	1.20		copies
NAA	30	309220	3/08/99	0.20	50.00	10.00		copies
NAA	30	309224	3/08/99	0.55	1.00	0.55		NY Sales Tax - Postage
NAA	30	310129	3/09/99	0.20	3.00	0.60		copies
NAA	30	312005	3/15/99	0.20	2.00	0.40		copies
NAA	30	320003	4/01/99	0.20	1.00	0.20		copies
NAA	30	330045	4/27/99	1.21	1.00	1.21		postage
NAA	30	330300	4/28/99	0.20	13.00	2.60		copies
Williams Gretchen	47	330668	4/30/99	0.20	7.00	1.40		copies
Williams Gretchen	47	330846	5/03/99	0.20	7.00	1.40		copies
Williams Gretchen	47	331282	5/06/99	0.20	33.00	6.60		copies
Williams Gretchen	47	334124	5/17/99	0.20	1.00	0.20		copies
Sullivan Wonza	103	340111	6/03/99	0.20	44.00	8.80		copies
Sullivan Wonza	103	340092	6/08/99	0.20	11.00	2.20		copies
Sullivan Wonza	103	356699	9/03/99	0.20	2.00	0.40		copies
Williams Gretchen	47	358138	9/13/99	0.20	215.00	43.00		copies
Williams Gretchen	47	358139	9/13/99	135.00	1.00	135.00		computer charge (Internation Heritage Incorporated)
Williams Gretchen	47	358140	9/13/99	135.00	1.00	135.00		computer charge (Internation Heritage, Inc.)
Williams Gretchen	47	358141	9/13/99	0.20	235.00	47.00		copies

Subtotal for work code BANKEXP2

749.00	540.09
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Ending Work In Process Balance

27,438.59

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

RECEIVED
SEP 30 1999
BANKRUPTCY
ADMINISTRATOR, EDNC

IN RE:

INTERNATIONAL HERITAGE, INC.

CASE NO. 98-02675-5-ATS
CHAPTER 7


Debtor.

FIRST INTERIM APPLICATION FOR PAYMENT
OF ACCOUNTANT'S FEES AND EXPENSES

NOW COMES Holmes P. Harden, Trustee in the above-referenced case, and applies to the Court for authority to pay Adams Consulting Group interim accountant's fees and expenses in the amount of Twenty-Seven Thousand Four Hundred Thirty-Eight and 59/100 (\$27,438.59) representing compensation in the amount of \$26,898.50 and reimbursement of necessary expenses in the amount of \$540.09 for services rendered from December 1, 1998 through September 20, 1999. A copy of the accountant's bill is attached to this Application. In the opinion of the Trustee, such interim accountant's fees and expense reimbursement are reasonable and just.

Respectfully submitted, this 27th day of September 1999.

mal-see milites -
preference analysis
& fraudulent transfer
investigation.
K
10/4


Holmes P. Harden
Trustee for Debtor
N. C. State Bar No. 9835
3200 Beechleaf Court
Post Office Drawer 19764
Raleigh, North Carolina 27619
Telephone: (919) 981-4000

KAL/171285/1

CC: Clerk
10-6-99